

**ND PUBLIC EMPLOYEES RETIREMENT SYSTEM  
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2007**

	December-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Fiscal YTD Net ROR	FY07 Net ROR	Ended 6/30/2007 Net ROR	Ended 6/30/2007 Net ROR
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
LA Capital	78,118,500	4.0%	4.1%	-1.45%	78,156,517	4.0%	4.1%	0.41%	-1.04%	21.75%	13.79%	N/A
<b>Total Structured Growth</b>	<b>78,118,500</b>	<b>4.0%</b>	<b>4.1%</b>	<b>-1.45%</b>	<b>78,156,517</b>	<b>4.0%</b>	<b>4.1%</b>	<b>0.41%</b>	<b>-1.04%</b>	<b>21.75%</b>	<b>13.79%</b>	<b>11.59%</b>
Russell 1000 Growth				-0.77%				4.21%	3.41%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	83,770,455	4.3%	4.5%	-5.86%	88,328,104	4.5%	4.5%	-1.05%	-6.85%	23.29%	19.11%	16.46%
Russell 1000 Value				-5.80%				-0.24%	-6.03%	21.87%	15.93%	13.31%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	73,244,779	3.8%	3.8%	-1.46%	82,026,620	4.2%	4.2%	0.07%	-1.39%	20.43%	13.31%	11.77%
Russell 1000				-3.23%				1.98%	-1.31%	20.43%	12.34%	11.33%
<i>Enhanced S&amp;P 500 Index</i>												
Northern Trust	56,365,226	2.9%	3.0%	-4.71%	74,761,578	3.8%	3.9%	0.34%	-4.39%	19.26%	11.40%	10.53%
Westridge	72,623,311	3.7%	3.9%	-3.10%	97,533,975	5.0%	3.9%	2.18%	-0.99%	21.05%	12.00%	11.00%
Wells Capital	57,291,250	3.0%	3.0%	-13.04%	65,874,490	3.4%	3.0%	4.26%	-9.34%	30.71%	N/A	N/A
European Credit Management	26,184,374	1.4%	1.4%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	0.00%
Franklin	52,665,425	2.7%	3.0%	-4.58%	55,343,565	2.8%	3.0%	-0.71%	-5.26%	N/A	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>265,129,587</b>	<b>13.7%</b>	<b>14.3%</b>	<b>-5.87%</b>	<b>293,513,609</b>	<b>12.1%</b>	<b>13.8%</b>	<b>1.60%</b>	<b>-4.36%</b>	<b>21.56%</b>	<b>11.94%</b>	<b>11.24%</b>
S&P 500				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
<i>Absolute Return Strategy</i>												
Epoch	25,593,827	1.3%	1.4%	-2.48%	15,531,911	0.8%	1.4%	0.06%	-2.43%	N/A	N/A	N/A
S&P 500				-3.33%				2.03%	-1.37%			
<i>S&amp;P 500 Index</i>												
State Street	36,398,430	1.9%	2.1%	-5.86%	38,229,585	1.9%	2.1%	-0.79%	-6.61%	21.86%	12.41%	11.15%
S&P 500				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>562,255,578</b>	<b>29.0%</b>	<b>30.0%</b>	<b>-4.76%</b>	<b>595,786,347</b>	<b>30.3%</b>	<b>30.0%</b>	<b>0.70%</b>	<b>-4.09%</b>	<b>21.66%</b>	<b>13.61%</b>	<b>12.15%</b>
S&P 500				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
SEI	127,518,299	6.6%	7.2%	-6.46%	128,886,735	6.6%	7.2%	-4.25%	-10.43%	17.13%	13.31%	14.32%
Russell 2000 + 200bp				-4.09%				-2.60%	-6.59%	18.76%	15.72%	16.16%
Callan	54,595,286	2.8%	2.8%	-4.56%	56,890,194	2.9%	2.8%	-1.14%	-5.66%	21.00%	N/A	N/A
Russell 2000				-4.58%				-3.09%	-7.53%	16.44%		
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>182,113,585</b>	<b>9.4%</b>	<b>10.0%</b>	<b>-5.88%</b>	<b>185,776,929</b>	<b>9.5%</b>	<b>10.0%</b>	<b>-3.32%</b>	<b>-9.01%</b>	<b>17.89%</b>	<b>13.50%</b>	<b>14.44%</b>
Russell 2000				-4.58%				-3.09%	-7.53%	16.44%	13.45%	13.88%
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Core</i>												
State Street	18,830,851	1.0%	1.0%	-4.44%	19,635,023	1.0%	1.0%	1.42%	-3.08%	27.82%	20.73%	15.09%
MSCI EAFE (1)				-1.75%				2.18%	0.39%	27.00%	20.77%	14.70%
<i>Large Cap - Active</i>												
Capital Guardian	57,921,556	3.0%	3.0%	-1.21%	59,077,593	3.0%	3.0%	-0.21%	-1.41%	26.04%	21.52%	14.83%
LSV	53,932,402	2.8%	3.0%	-5.87%	57,089,031	2.9%	3.0%	-3.20%	-8.89%	29.94%	N/A	N/A
Bank of Ireland	17,375,294	0.9%	1.0%	-7.93%	18,800,725	1.0%	1.0%	-4.43%	-12.00%	25.29%	19.70%	13.72%
<b>Total Large Cap - Active</b>	<b>129,229,251</b>	<b>6.7%</b>	<b>7.0%</b>	<b>-4.12%</b>	<b>134,967,349</b>	<b>6.9%</b>	<b>7.0%</b>	<b>-2.09%</b>	<b>-6.12%</b>	<b>27.58%</b>	<b>22.64%</b>	<b>15.45%</b>
MSCI EAFE - 50% Hedged				-2.19%				0.11%	-2.08%	26.94%	22.55%	15.71%
<i>Small Cap - Active</i>												
Lazard	5,579	0.0%	0.0%	-26.49%	18,220,097	0.9%	1.0%	-3.54%	N/A	24.18%	22.99%	21.28%
DFA	16,650,358	0.9%	1.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Wellington	18,655,878	1.0%	1.0%	-4.48%	19,441,255	1.0%	1.0%	-0.96%	-5.40%	26.62%	20.49%	21.40%
<b>Total Small Cap - Active</b>	<b>35,311,816</b>	<b>1.8%</b>	<b>2.0%</b>	<b>-4.71%</b>	<b>37,661,352</b>	<b>1.9%</b>	<b>2.0%</b>	<b>-2.23%</b>	<b>-6.83%</b>	<b>25.39%</b>	<b>21.75%</b>	<b>21.34%</b>
Citigroup Broad Market Index < \$2BN				-5.94%				-0.66%	-6.55%	28.60%	26.33%	25.39%
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>183,371,918</b>	<b>9.5%</b>	<b>10.0%</b>	<b>-4.26%</b>	<b>192,263,725</b>	<b>9.8%</b>	<b>10.0%</b>	<b>-1.77%</b>	<b>-5.96%</b>	<b>27.21%</b>	<b>22.14%</b>	<b>16.66%</b>
MSCI EAFE - 50% Hedged				-2.19%				0.11%	-2.08%	26.94%	22.55%	15.71%
<b>EMERGING MARKETS EQUITY</b>												
<i>Core</i>												
JP Morgan	20,728,286	1.1%	0.9%	5.71%	21,771,208	1.1%	0.9%	11.70%	18.07%	46.07%	N/A	N/A
PanAgora	20,227,366	1.0%	0.9%	3.21%	21,764,487	1.1%	0.9%	15.67%	19.38%	46.34%	N/A	N/A
WestLB	20,505,453	1.1%	0.9%	5.94%	21,648,976	1.1%	0.9%	14.72%	21.54%	42.11%	N/A	N/A
UBS	30,226,171	1.6%	1.5%	5.27%	38,016,766	1.9%	1.5%	14.81%	20.85%	42.04%	N/A	N/A
<b>Total Core</b>	<b>91,687,277</b>	<b>4.7%</b>	<b>4.1%</b>	<b>5.07%</b>	<b>103,201,437</b>	<b>5.3%</b>	<b>4.1%</b>	<b>14.30%</b>	<b>20.10%</b>	<b>43.90%</b>	<b>37.74%</b>	<b>29.07%</b>
MSCI Emerging Markets				3.66%				14.52%	18.71%	45.45%	38.67%	21.67%
<i>Small Cap</i>												
DFA	20,105,406	1.0%	1.0%	0.06%	22,865,426	1.2%	1.0%	7.40%	7.46%	68.14%	N/A	N/A
MSCI Emerging Markets				3.66%				14.52%	18.71%	45.45%		
<i>Private Equity</i>												
Capital International	2,233,817	0.1%	0.1%	-5.35%	863,801	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets												
<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>114,026,499</b>	<b>5.9%</b>	<b>5.0%</b>	<b>4.12%</b>	<b>126,930,664</b>	<b>6.5%</b>	<b>5.0%</b>	<b>12.77%</b>	<b>17.41%</b>	<b>48.23%</b>	<b>38.70%</b>	<b>29.61%</b>
MSCI Emerging Markets				3.66%				14.52%	18.71%	45.45%	38.67%	30.66%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
Western Asset	46,677,796	2.4%	2.1%	0.80%	51,993,342	2.6%	2.6%	2.08%	2.89%	7.00%	4.29%	5.59%
Lehman Aggregate				3.00%				2.84%	5.93%	6.12%	3.98%	4.48%
<i>Index</i>												
Bank of ND	95,796,111	4.9%	6.0%	3.34%	93,523,911	4.8%	6.0%	3.15%	6.60%	5.69%	3.78%	4.49%
<b>Total Index</b>	<b>95,796,111</b>	<b>4.9%</b>	<b>6.0%</b>	<b>3.34%</b>	<b>93,523,911</b>	<b>4.8%</b>	<b>6.0%</b>	<b>3.15%</b>	<b>6.60%</b>	<b>5.69%</b>	<b>3.92%</b>	<b>4.50%</b>
Lehman Gov/Credit				3.10%				3.01%	6.20%	6.00%	3.84%	4.69%
<i>Convertibles</i>												
Calamos (2)	45,643,271	2.4%	2.1%	-0.03%	55,288,986	2.8%	2.6%	3.50%	3.47%	N/A	N/A	N/A
<b>Total Convertibles</b>	<b>45,643,271</b>	<b>2.4%</b>	<b>2.1%</b>	<b>-0.03%</b>	<b>55,288,986</b>	<b>2.8%</b>	<b>2.6%</b>	<b>3.50%</b>	<b>3.47%</b>	<b>12.55%</b>	<b>5.57%</b>	<b>3.31%</b>
Merrill Lynch All Convertibles (3)				-3.25%				1.01%	-2.27%	15.38%	8.30%	10.89%
<i>BBB Average Quality</i>												
Wells Capital	46,777,791	2.4%	2.1%	1.86%	51,594,550	2.6%	2.6%	1.91%	3.81%	9.12%	5.96%	6.71%
Lehman BBB				1.90%				1.67%	3.60%	7.54%	4.47%	6.43%

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	December-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Quarter	Market Value	Allocation	Actual	Quarter	Fiscal YTD	FY07	Ended	Ended
				Net ROR				Net ROR	Net ROR	Net ROR	6/30/2007	6/30/2007
											Net ROR	Net ROR
<b>Private Debt</b>												
<b>Prudential</b>	<b>48,731,225</b>	<b>2.5%</b>	<b>2.1%</b>	<b>1.97%</b>	<b>49,717,797</b>	<b>2.5%</b>	<b>2.6%</b>	<b>1.88%</b>	<b>3.88%</b>	<b>7.16%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				3.00%				2.84%	5.93%	6.12%		
<b>Timberland</b>												
TIR - Teredo (4)	44,131,287	2.3%	2.3%	14.92%	40,309,999	2.1%	2.1%	-0.17%	14.72%	26.95%	12.73%	12.23%
TIR - Springbank	84,023,813	4.3%	4.3%	-0.46%	85,328,633	4.3%	4.3%	-0.07%	-0.54%	26.90%	N/A	N/A
<b>Total Timberland</b>	<b>128,155,100</b>	<b>6.6%</b>	<b>6.6%</b>	<b>4.47%</b>	<b>125,638,632</b>	<b>6.4%</b>	<b>6.4%</b>	<b>-0.11%</b>	<b>4.36%</b>	<b>27.33%</b>	<b>26.21%</b>	<b>20.09%</b>
NCREIF Timberland Index				3.90%				3.90%	7.95%	11.89%	15.17%	11.37%
<b>Infrastructure</b>												
<b>JP Morgan</b>	<b>59,948,626</b>	<b>3.1%</b>	<b>3.1%</b>	<b>0.18%</b>	<b>21,117,739</b>	<b>1.1%</b>	<b>1.1%</b>	<b>-0.69%</b>	<b>-0.51%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>471,729,920</b>	<b>24.3%</b>	<b>24.0%</b>	<b>2.38%</b>	<b>448,874,956</b>	<b>22.8%</b>	<b>24.0%</b>	<b>1.68%</b>	<b>4.10%</b>	<b>12.52%</b>	<b>11.43%</b>	<b>10.17%</b>
Lehman Aggregate				3.00%				2.84%	5.93%	6.12%	3.98%	4.48%
<b>HIGH YIELD BONDS</b>												
<b>Core</b>												
Loomis Sayles	47,017,513	2.4%	2.3%	-0.92%	46,972,795	2.4%	2.4%	0.37%	-0.55%	13.37%	11.25%	N/A
Sutter/Wells Capital	41,783,739	2.2%	2.3%	0.30%	43,852,880	2.2%	2.4%	-3.19%	-2.90%	9.82%	8.02%	N/A
<b>Total Core</b>	<b>88,801,252</b>	<b>4.6%</b>	<b>4.6%</b>	<b>-0.33%</b>	<b>90,825,674</b>	<b>4.6%</b>	<b>4.7%</b>	<b>-1.39%</b>	<b>-1.71%</b>	<b>11.59%</b>	<b>9.63%</b>	<b>5.67%</b>
LB High Yield 2% Issuer Constrained Index				-1.07%				0.40%	-0.67%	11.22%	8.70%	N/A
<b>Mezzanine Debt</b>												
Goldman Sachs 2006 Fund	2,127,102	0.1%	0.1%	1.03%	2,102,638	0.1%	0.1%	-1.07%	-0.05%	7.39%	N/A	N/A
Goldman Sachs Fund V	1,718,297	0.1%	0.1%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
TCW	3,529,577	0.2%	0.2%	0.54%	3,225,476	0.2%	0.2%	-2.96%	-2.44%	N/A	N/A	N/A
<b>Total Mezzanine Debt</b>	<b>7,374,976</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.63%</b>	<b>5,328,114</b>	<b>0.3%</b>	<b>0.3%</b>	<b>-1.72%</b>	<b>-1.10%</b>	<b>7.39%</b>	<b>N/A</b>	<b>N/A</b>
LB High Yield 2% Issuer Constrained Index				-1.07%				0.40%	-0.67%	11.22%		
<b>Distressed Mortgages</b>												
PIMCO	1,227,355	0.1%	0.1%	0.00%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Declaration Management	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Distressed Mortgages</b>	<b>1,227,355</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.00%</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
LB High Yield 2% Issuer Constrained Index				-1.07%								
<b>TOTAL HIGH YIELD BONDS</b>	<b>97,403,582</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-0.22%</b>	<b>96,153,788</b>	<b>4.9%</b>	<b>5.0%</b>	<b>-1.35%</b>	<b>-1.56%</b>	<b>11.62%</b>	<b>9.64%</b>	<b>11.24%</b>
LB High Yield 2% Issuer Constrained Index				-1.07%				0.40%	-0.67%	11.22%	8.77%	11.75%
<b>INTERNATIONAL FIXED INCOME</b>												
<b>International Sovereign</b>												
<b>UBS Global (Brinson)</b>	<b>45,420,653</b>	<b>2.3%</b>	<b>2.5%</b>	<b>3.31%</b>	<b>44,305,640</b>	<b>2.3%</b>	<b>2.5%</b>	<b>7.48%</b>	<b>11.05%</b>	<b>0.21%</b>	<b>2.69%</b>	<b>6.66%</b>
Citigroup Non-US Gov't Bond Index (5)				3.91%				8.10%	12.33%	2.22%	3.23%	6.89%
<b>International Core</b>												
<b>Brandywine</b>	<b>47,494,694</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.60%</b>	<b>45,943,422</b>	<b>2.3%</b>	<b>2.5%</b>	<b>5.77%</b>	<b>8.52%</b>	<b>6.63%</b>	<b>7.38%</b>	<b>N/A</b>
Lehman Global Aggregate (ex-US)				3.38%				7.35%	10.96%	3.78%	5.22%	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	<b>92,915,347</b>	<b>4.8%</b>	<b>5.0%</b>	<b>2.95%</b>	<b>90,249,063</b>	<b>4.6%</b>	<b>5.0%</b>	<b>6.60%</b>	<b>9.75%</b>	<b>3.41%</b>	<b>5.03%</b>	<b>8.23%</b>
Citigroup Non-US Gov't Bond Index (5)				3.91%				8.10%	12.33%	2.22%	3.27%	6.92%
<b>REAL ESTATE</b>												
INVESCO - Core	52,356,996			2.14%	51,589,416			3.09%	5.30%	14.44%	20.09%	14.86%
INVESCO - Fund II	1,718,504			N/A	-			N/A	N/A	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	54,336,275			2.49%	53,427,479			4.18%	6.77%	19.72%	20.09%	15.71%
J.P. Morgan Alternative Property Fund	12,376,422			0.50%	12,210,061			0.00%	0.50%	6.70%	N/A	N/A
<b>TOTAL REAL ESTATE</b>	<b>120,788,198</b>	<b>6.2%</b>	<b>5.0%</b>	<b>2.10%</b>	<b>117,226,956</b>	<b>6.0%</b>	<b>5.0%</b>	<b>3.25%</b>	<b>5.42%</b>	<b>15.47%</b>	<b>19.41%</b>	<b>14.88%</b>
NCREIF TOTAL INDEX				3.56%				3.56%	7.25%	17.24%	17.83%	14.30%
<b>ALTERNATIVE INVESTMENTS</b>												
Brinson IVCF II	95,751			19.90%	79,860			0.00%	19.90%	31.73%	17.69%	12.50%
Coral Partners II	100,077			0.09%	99,987			0.15%	0.24%	-0.22%	1.54%	5.72%
Coral Partners V	3,726,637			-1.64%	3,314,698			-1.25%	-2.87%	-1.78%	-4.71%	-14.30%
Coral Partners V - Supplemental	445,838			-5.29%	473,983			-0.33%	-5.60%	8.49%	3.75%	0.86%
Coral Momentum Fund (Formerly Fund VI)	8,934,231			-4.08%	9,378,687			43.80%	37.93%	-16.26%	-8.10%	N/A
Brinson 1998 Partnership Fund	845,082			7.53%	821,163			6.31%	14.32%	31.02%	22.24%	11.25%
Brinson 1999 Partnership Fund	1,680,514			1.84%	2,131,718			8.83%	10.83%	19.95%	14.43%	7.53%
Brinson 2000 Partnership Fund	6,240,627			3.81%	6,053,208			12.46%	16.74%	13.52%	18.72%	9.86%
Brinson 2001 Partnership Fund	4,530,058			-5.15%	4,809,348			7.25%	1.72%	15.81%	13.02%	7.67%
Brinson 2002 Partnership Fund	2,362,397			-1.75%	2,717,460			7.77%	5.88%	11.10%	12.11%	11.95%
Brinson 2003 Partnership Fund	887,676			5.07%	850,682			-2.14%	2.82%	34.38%	19.70%	N/A
Total Brinson Partnership Funds	16,546,355			2.77%	17,383,580			8.74%	11.75%	16.34%	16.34%	10.08%
Brinson 1999 Non-US Partnership Fund	806,566			-0.20%	813,786			-15.34%	-15.51%	111.26%	57.67%	39.95%
Brinson 2000 Non-US Partnership Fund	2,208,191			3.76%	2,142,840			9.22%	13.32%	55.10%	34.26%	25.05%
Brinson 2001 Non-US Partnership Fund	1,468,475			4.45%	1,684,440			8.40%	13.22%	7.81%	14.42%	11.71%
Brinson 2002 Non-US Partnership Fund	3,258,815			4.69%	3,374,692			9.52%	14.66%	88.98%	43.24%	29.72%
Brinson 2003 Non-US Partnership Fund	2,906,341			8.33%	2,701,365			5.76%	14.57%	76.59%	33.38%	N/A
Brinson 2004 Non-US Partnership Fund	1,167,005			3.79%	1,132,201			7.85%	11.94%	23.98%	15.75%	N/A
Total Brinson Non-US Partnership Fund	11,815,392			4.91%	11,849,325			6.06%	11.27%	62.33%	35.68%	25.84%
Brinson BVCF IV	8,990,158			4.45%	8,668,614			9.99%	14.88%	-3.23%	10.47%	6.87%
Adams Street Direct Co-investment Fund	7,206,893			5.57%	4,636,303			-0.11%	5.45%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	3,817,834			76.23%	2,181,492			-60.15%	-29.77%	10.95%	25.72%	N/A
Matlin Patterson Global Opportunities II	16,865,311			-0.54%	15,601,686			0.61%	0.07%	37.09%	N/A	N/A
Matlin Patterson Global Opportunities III	1,774,581			-2.74%	1,837,223			-15.88%	-18.18%	N/A	N/A	N/A
InvestAmerica	3,592,017			0.00%	3,616,949			18.49%	18.49%	13.96%	-2.58%	-5.68%
Hearthstone MSII	36,699			0.27%	0			0.00%	0.27%	-95.85%	-100.00%	-100.00%
Hearthstone MSIII	1,272,032			1.16%	1,721,773			18.89%	20.27%	208.65%	79.05%	N/A
Corsair III	4,784,061			-1.20%	1,785,265			14.87%	13.49%	N/A	N/A	N/A
Quantum Resources	2,058,334			-4.10%	1,777,508			-8.56%	-12.31%	N/A	N/A	N/A
Quantum Energy Partners	936,160			4.30%	903,807			-17.70%	-14.16%	N/A	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (6)</b>	<b>92,998,362</b>	<b>4.8%</b>	<b>5.0%</b>	<b>2.49%</b>	<b>85,310,740</b>	<b>4.3%</b>	<b>5.0%</b>	<b>3.37%</b>	<b>5.94%</b>	<b>16.83%</b>	<b>15.02%</b>	<b>7.25%</b>
<b>CASH EQUIVALENTS</b>												
<b>Northern Trust STIF/STEP</b>	<b>20,142,525</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.38%</b>	<b>26,823,346</b>	<b>1.4%</b>	<b>1.0%</b>	<b>0.68%</b>	<b>1.06%</b>	<b>5.25%</b>	<b>3.91%</b>	<b>3.00%</b>
90 Day T-Bill				1.05%				1.34%	2.40%	5.21%	3.78%	2.76%
<b>TOTAL FUND</b>	<b>1,937,745,513</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.19%</b>	<b>1,965,396,514</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.37%</b>	<b>0.16%</b>	<b>18.95%</b>	<b>14.97%</b>	<b>13.33%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>-0.29%</b>				<b>2.55%</b>	<b>2.26%</b>	<b>16.45%</b>	<b>12.29%</b>	<b>11.20%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

- (1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.
- (2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.
- (3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.
- (4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.
- (5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.
- (6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.